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RUEHJA/AMEMBASSY JAKARTA IMMEDIATE 3284
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RUEHKU/AMEMBASSY KUWAIT IMMEDIATE 5843
RUEHLO/AMEMBASSY LONDON IMMEDIATE 3266
RUEHMD/AMEMBASSY MADRID IMMEDIATE 1234
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RUEHMO/AMEMBASSY MOSCOW IMMEDIATE 9067
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RUEHNY/AMEMBASSY OSLO IMMEDIATE 7617
RUEHOT/AMEMBASSY OTTAWA IMMEDIATE 4531
RUEHFR/AMEMBASSY PARIS IMMEDIATE 3767
RUEHPG/AMEMBASSY PRAGUE IMMEDIATE 9898
RUEHRH/AMEMBASSY RIYADH IMMEDIATE 1353
RUEHRO/AMEMBASSY ROME IMMEDIATE 0144
RUEHUL/AMEMBASSY SEOUL IMMEDIATE 0469
RUEHSM/AMEMBASSY STOCKHOLM IMMEDIATE 7054
RUEHTC/AMEMBASSY THE HAGUE IMMEDIATE 4882
RUEHKO/AMEMBASSY TOKYO IMMEDIATE 8397
RUEHWL/AMEMBASSY WELLINGTON IMMEDIATE 6857
RUEHJI/AMCONSUL JEDDAH IMMEDIATE 6029
RUEHBS/USEU BRUSSELS IMMEDIATE
INFO NATO EU COLLECTIVE IMMEDIATE
RUEHIL/AMEMBASSY ISLAMABAD IMMEDIATE 9920
RUEHNE/AMEMBASSY NEW DELHI IMMEDIATE 3918
RUEHKP/AMCONSUL KARACHI IMMEDIATE 6843
RUEHLH/AMCONSUL LAHORE IMMEDIATE 8332
RUEHPW/AMCONSUL PESHAWAR IMMEDIATE 2674
RUCNDT/USMISSION USUN NEW YORK IMMEDIATE 5547

UNCLAS SECTION 01 OF 09 STATE 032712

SIPDIS
MANILA FOR DELIVERY TO ASIAN DEVELOPMENT BANK
JEDDAH FOR DELIVERY TO ISLAMIC DEVELOPMENT BANK

E.O. 12958: N/A
TAGS: [EAID](#) [ECON](#) [EFIN](#) [IBRD](#) [IMF](#) [PK](#)
SUBJECT: FOLLOW-UP DEMARCHE: PAKISTAN DONORS' CONFERENCE
APRIL 17

REF: STATE 24367

SUMMARY

11. (U) This is an action request. Please see Paragraph 3 for general talking points. Paragraph 4 has Post-specific points.

12. (U) Per reftel, Japan and the World Bank are co-hosting a Donors Conference for Pakistan on April 17 in Tokyo. The stated goal of the conference is to raise \$4 billion to help stabilize Pakistan's economy and provide funding urgently needed for social safety net and development needs, as well as to bolster foreign reserves. The U.S. strongly supports the conference and will likely pledge at least \$1 billion. Department requests an update on host countries' intentions to participate in the conference, especially specifics on anticipated pledge and participation level.

ACTION REQUEST

13. (U) Posts should convey the following points at the most senior level, as appropriate. Posts should again coordinate a joint demarche with Japanese and Pakistani officials, if possible, to ensure a consistent message on the importance that the U.S., Japan, and Pakistan are attaching to this effort. Department requests that Embassy Manila ask U.S. Executive Director at Asian Development Bank to raise these points with Board. Consulate General Jeddah is requested to raise these points with Board of Islamic Development Bank.

Begin talking points.

-- Achieving our security goals in Afghanistan requires economic and political stability on both sides of the Afghanistan-Pakistan border.

-- In his speech announcing the new U.S. strategy for Afghanistan and Pakistan, President Obama stressed the importance of increased economic assistance to Pakistan.

-- The campaign against extremism will not succeed with bullets or bombs alone. This is a global threat that requires multilateral cooperation and a significant financial commitment.

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-- President Obama called on our allies and partners to do their part and offer strong support at the donors conference in Tokyo.

-- (If appropriate) We appreciate your country's recent participation in the meetings in The Hague and hope to see a demonstration of your country's commitment to the region at the pledging conference.

-- The outcome of the conference will have a major impact on the public perception of the international community's commitment to helping Pakistan. A successful conference will send a powerful signal that Pakistan's key partners are pulling together to support Pakistan.

-- The success of the Donors, Conference depends on very significant new contributions and senior-level participation from all donors.

-- Pakistan is working with the World Bank on a strategy to demonstrate how the conference funding target of \$4 billion will be used. The funding breakdown includes funding for poverty alleviation programs for the poorest of the poor, education, and health. The strategy document will be presented at the conference in Tokyo.

-- Pakistani President Zardari, Foreign Minister Qureshi, and Finance Minister Tarin will attend.

-- The U.S., which will be represented by Special Representative for Afghanistan and Pakistan Richard Holbrooke, plans to pledge at least \$1 billion over two years, components of which are still under discussion.

14. Points for specific countries:

Australia:

-- We appreciate FM Smith's decision to attend.

-- We appreciate Australia's decision to double its assistance to Pakistan in recent years; this reflects Australia's recognition of Pakistan as a central security and foreign policy concern.

-- We would appreciate any information you can share about Australia's intended pledge. We need your government's contribution to ensure we reach the \$4 billion target.

Canada:

-- We appreciate Canada's decision to attend. Has your government decided whether the Foreign Minister or Development Minister will attend?
-- We would appreciate any information you can share about Canada's intended pledge. We need your government's contribution to ensure we reach the \$4 billion target.

China:

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-- We appreciate China's decision to attend. Has your government decided who will lead the Chinese delegation?
-- We would appreciate any information you can share about China's intended pledge. We hope that you will take advantage of the opportunity to announce your assistance to Pakistan at this forum.
-- China and Pakistan have a historically close relationship. We believe Pakistan's economic challenges require a multi-lateral effort. The outcome of the Donors Conference will have a major impact with the public and the media. Pakistan looks to China as a key partner in assistance. We need your government's strong contribution to ensure we reach the \$4 billion target.

Czech Republic

-- We hope the Czech Republic will attend the conference on behalf of the EU. When can we expect a new government to make a decision about participation?
-- We also hope the Czech Republic will support and announce a significant EC pledge and will work to ensure that EU members state pledges collectively more than match the EC pledge.
-- We would appreciate any information you can share about your government's intended pledge and the EC's intended pledge. We need your government's support to ensure the conference reaches the \$4 billion target.

Denmark:

-- We encourage Denmark to attend the conference. Has your government made a decision about participation?
-- We understand that your government's traditional aid priorities have been in Africa. The United States views Pakistan as an assistance priority, given its global strategic importance. We also believe that the challenges Pakistan faces require multilateral cooperation to resolve.
-- We appreciate FM Moller's interest in the conference and hope Denmark will participate. We need your government's contribution to ensure we reach the \$4 billion target.

European Commission:

-- We welcome Commissioner Ferrero-Waldner's participation and hope that she is able to attend.
-- The world looks to the EC to demonstrate international leadership as a donor.
-- We urge a strong EC contribution at the conference.
-- We understand the EC has specific budgetary processes; we urge you to work within your system to develop and announce a large pledge for Pakistan.
-- An EU pledge that is comparable in size to the U.S. contribution is essential if the conference is to be a success.
-- We appreciate the EC's recently announced increased assistance to Pakistan, and urge you to do more through the Donors Conference, given Pakistan's global strategic importance.

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-- We need the EC's strong contribution to ensure we reach the \$4 billion target.

Finland:

-- We appreciate Finland's decision to attend the

conference. Has your government made a decision regarding who will lead your delegation to represent Finland?

-- We would appreciate any information you can share about Finland's intended pledge. We need your government's contribution to ensure we reach the \$4 billion target.

France:

-- We appreciate Special Envoy Lellouche's decision to participate in the conference.

-- We understand your government, like many, is exercising fiscal discipline in light of the global economic crisis.

-- However, we urge you to make a substantial pledge at the Pakistan Donors Conference, given the global strategic importance of Pakistan.

-- We would appreciate any information you can share about France's intended pledge. We need your government's contribution to ensure we reach the \$4 billion target.

Germany:

-- We appreciate Special Envoy Muetzelburg's decision to participate in the conference.

-- We appreciate your government's readiness to take on its share of the need.

-- Regarding your questions concerning the U.S. pledge, the U.S. will pledge at least \$1 billion of "new" money over two years.

-- Regarding your questions concerning the U.S. delegation, we will send the same delegation to the Donors Conference and Friends of Democratic Pakistan meeting. Special Representative Holbrooke will lead the U.S. delegation, which will also include USAID and Treasury officials.

-- We would appreciate any information you can share about Germany's intended pledge. We need your government's contribution to ensure we reach the \$4 billion target.

Indonesia:

-- We hope Indonesia will attend the conference. Pakistan specifically requested your participation as a strong Asian partner. Has your government made any decisions regarding participation?

-- We would appreciate any information you can share about your government's potential pledge. We need your government's support to ensure we reach the \$4 billion target.

Italy:

-- We appreciate Special Envoy Iannucci's decision to participate in the conference. We hope FM Frattini will be able to attend as well. Has the FM made any decisions regarding participation?

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-- We appreciate Italy's intention to pledge at the conference, potentially to include 30-40 million Euros in soft loans for provincial governments in western Pakistan by June.

-- We urge you to consider a larger pledge over two years to help stabilize Pakistan's economy and to fund social safety net and development needs.

-- We understand your government, like many, is exercising fiscal discipline in light of the global economic crisis.

-- However, we urge you to make a substantial pledge at the Pakistan Donors Conference, given the global strategic importance of Pakistan.

-- Achieving our shared security goals in Afghanistan requires strengthening economic and political stability on both sides of the Afghanistan-Pakistan border, and it requires a multilateral effort.

-- A strong pledge in Tokyo will enhance Italy's leadership efforts in Pakistan, including your government's plans to host the June 26-27 G8 Conference on Afghanistan and Pakistan in Trieste, Italy.

-- We would appreciate any further information you can share about Italy's intended pledge. We need your government's contribution to ensure we reach the \$4

billion target.

Japan:

-- We appreciate Japan's strong commitment to Pakistan, and all of your government's efforts to host the Donors Conference. We particularly appreciate Prime Minister Aso and Foreign Minister Nakasone's willingness to participate.
-- We would appreciate any information you can share about Japan's intended pledge.
-- We need your government's strong contribution to ensure we reach the \$4 billion target.

Kuwait:

-- We hope Kuwait will attend the conference. Has your government made a decision regarding participation?
-- We would appreciate any information you can share about Kuwait's intended pledge. We need your government's support to ensure the conference reaches the \$4 billion target.

Malaysia:

-- We hope Malaysia will attend the conference. Pakistan specifically requested your participation in the conference as a strong Asian partner. Has your government made any decisions regarding participation?
-- We would appreciate any information you can share about your government's potential pledge. We need your government's support to ensure we reach the \$4 billion target.

The Netherlands:

-- We appreciate Minister for Development Cooperation Koenders' decision to attend the conference.

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-- We appreciate your government's intentions to pledge, potentially 112 million Euros over three years for development and governance programs. What does your government intend to pledge at the conference to coincide with the 2-year IMF program, which the conference is intended to support?
-- Has your government made any final decisions regarding its pledge? We need your government's contribution to ensure we reach the \$4 billion target.

New Zealand:

-- We hope New Zealand will attend the conference. Has your government made any decisions regarding participation?
-- We would appreciate any information you can share about your government's potential pledge. We need your government's support to ensure we reach the \$4 billion target.

Norway:

-- We appreciate Norway's continued strong support of Pakistan and Afghanistan, particularly support for the humanitarian situation with your recent contribution of \$2.3 million through UNICEF and the ICRC for Internally Displaced Persons in Pakistan.
-- We also hope Norway will contribute to Pakistan through the Donors Conference. Has your government made any decisions regarding participation?
-- We would appreciate any information you can share about your government's potential pledge. We need your government's support to ensure we reach the \$4 billion target.

Oman:

-- We hope Oman will attend the conference. Has your government made any decisions regarding participation?
-- We would appreciate any information you can share about your government's potential pledge. We need your government's support to ensure we reach the \$4 billion target.

Russia:

-- -- We recognize your strong role as an economic partner to countries in the region.
-- We hope Russia will attend and pledge at the conference. Has your government made any decisions regarding participation?
-- We would appreciate any information you can share about your government's potential pledge. We need your government's support to ensure we reach the \$4 billion target.

Saudi Arabia:

-- We strongly encourage Saudi Arabia to participate in the Conference at a senior level. In particular, we hope Prince Saud Al-Faisal will be able to head the Saudi delegation to Tokyo.

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-- We intend to consult closely with the Saudi authorities as the U.S. works with key regional allies to promote stability in Pakistan. Special Representative Holbrooke recently met with the Saudi Ambassador to the United States as part of our regular, high-level engagements on this issue.

-- We appreciate Saudi Arabia's strong historical ties with Pakistan and support the Kingdom's continued bilateral engagement with the Pakistani authorities.-- We would appreciate any information you can share about your government's potential pledge. We hope that you will announce your assistance at the Donors' conference.

-- We consider Saudi Arabia a key partner on Pakistan. We believe Pakistan's economic challenges require a well-coordinated multilateral effort. The success or failure of the Donors Conference will have a major impact with the public and the media. Saudi support at the April 17 Donors, Conference will be very welcome. We need your support to ensure the conference reaches the \$4 billion target.

Korea:

-- We appreciate FM Yu Myung-hwan's decision to attend the conference.
-- We would appreciate any information you can share about your government's potential pledge. We need your government's support to ensure we reach the \$4 billion target.

Spain:

-- We appreciate your government's decision to attend the conference. Has your government made any decisions regarding FM Moratinos' participation?
-- We would appreciate any information you can share about your government's potential pledge. We need your government's support to ensure we reach the \$4 billion target.

Sweden:

-- We appreciate Sweden's support for the Donors Conference through the EU. We also hope Sweden will pledge bilaterally at the conference.
-- We understand your government, like many, is exercising fiscal discipline in light of the global economic crisis, and that your South Asia assistance priorities are focused on Afghanistan.
-- However, we urge you to make a substantial pledge at the Pakistan Donors Conference, given the global strategic importance of Pakistan.
-- We would appreciate any information you can share about Sweden's potential pledge. We need your government's

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contribution to ensure we reach the \$4 billion target.

Switzerland:

-- We appreciate your government's decision to attend the conference. Has your government made a decision regarding participation?

-- We would appreciate any information you can share about your government's potential pledge. We understand your government is in the process of reformulating its Pakistan strategy; we hope that your government's support at the donors conference will reflect this new focus. We need your government's support to ensure we reach the \$4 billion target.

Turkey:

-- We appreciate Deputy Under Secretary for South Asia and the Middle East Sinirlioglu's decision to attend the conference.

-- We would appreciate any information you can share about Turkey's potential pledge. We need your government's contribution to ensure we reach the \$4 billion target.

United Arab Emirates:

-- We strongly encourage the UAE to attend the Conference at a senior level. The support of UAE Foreign Minister Sheikh Abdullah bin Zayed in inaugurating the Friend of Democratic Pakistan Group was very vital.

-- We intend to consult closely with the UAE as the U.S. works with key regional allies to promote stability in Pakistan. Special Representative Holbrooke's recent meetings in Abu Dhabi were useful for our understanding of UAE policy.

-- We appreciate the UAE's strong historical ties with Pakistan and support your continued bilateral engagement with the Pakistani authorities.

-- We consider the UAE a key partner on Pakistan.

-- Pakistan's economic challenges require a well-coordinated multilateral effort. The success or failure of the Donors Conference will have a major impact with the public and the media. Pakistan looks to the UAE as a key partner in assistance. UAE support at the April 17 Donors, Conference would be very welcome and would offer a leading example to other potential donors.

United Kingdom (Note to post: The Department has heard that the UK pledge may be largely made of "old" money (previously announced commitments). We need UK leadership and "new" money to achieve a successful conference):

-- We appreciate the United Kingdom's intentions to attend the conference. Has your government made a decision regarding participation?

-- We also appreciate your government's efforts to encourage strong participation from other donors.

-- We would appreciate any information you can share about the UK's pledge. A strong UK pledge consisting of "new"

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money is critical to a successful conference. The UK is our strongest partner on Pakistan, and we are counting on your government's leadership and example to help ensure we reach the \$4 billion target.

REPORTING DEADLINE

15. (U) Department requests posts to report demarche results by cable by April 8.

POINT OF CONTACT

16. (U) Please contact Mary Beth Goodman and Tara Foley in SCA/P with questions.

CLINTON